

Meadows Mental Health Policy Institute

Request for Information: Community-Based Care – October 2020

House Committee on Human Services

Texas' approach to implementing Community-Based Care (CBC) in the foster care system has been well-paced and deliberate. Early CBC regions have shown promising results, including placing more children and youth closer to home, increasing placements with relative caregivers, and improving placement stability. **The Meadows Mental Health Policy Institute (MMHPI) hopes CBC expansion will continue in the upcoming biennium.**

However, CBC leaders emphasize the importance of adequate funding to ensure they can maintain appropriate caseloads and meet the diverse needs of the families they serve. Rates must be adequate to cover the costs of providing care. Early CBC contractors did not receive sufficient state funding and had to raise private funds to meet their obligations. As CBC expands to new areas, especially those with fewer local resources, the state risks creating new inequities in the foster care system if communities must raise additional funds to cover foster care costs.

In 2018 and 2019, MMHPI partnered with the Texas Center for Child and Family Studies to: (1) study, determine best practices, and make recommendations concerning the methodology for determining the costs of the different components of high-quality foster care; and (2) identify opportunities to maximize federal funding to provide quality services. The project included an actuarially-based analysis of Texas' current rate-setting methodology for 24-hour residential child care services, including the CBC model, and compared Texas to best practices used by other states. The findings were shared with the Health and Human Services Commission (HHSC), the Department of Family and Protective Services (DFPS), and key legislative leadership in 2019.

As a result, during the 86th Legislative Session, the Texas Legislature included a Foster Care Rate Methodology Rider in the General Appropriations Act, 86(R) HB 1 (Article II, Special Provisions, Rider 32). The rider required HHSC and DFPS to evaluate and report on the methodology for establishing foster care rates to determine whether there is an alternative methodology, consistent with actuarially sound rate development principles to the fullest extent possible, that will increase provider capacity, incentivize quality improvements, and maximize the use and drawdown of federal funds.

The rider permitted HHSC to contract for the evaluation with a third party with demonstrated capacity in developing residential child care rates and risk-based contracting in child welfare settings. HHSC choose to contract with a third party; however, following a series of delays, the contract was only recently executed. Accordingly, HHSC did not release the report by the

September 1, 2020 rider deadline. Our understanding is that the third-party evaluation will be completed near the end of 2020. The original deadline was intended to provide the legislature adequate time to use the evaluation when reviewing legislative appropriations requests and beginning to draft the budget for the upcoming legislative session. Due to the delay, **the House Committee on Appropriations should request that HHSC release the third party's evaluation as soon as it is completed rather than holding it back for further review.** This will ensure the information is received timely and budget writers have the opportunity to act on the relevant findings.

The implications of the foster care rate are significant. Texas has shown strong leadership and invested significant time and resources to improve the foster care system. An adequate foster care rate is essential for the continued success of CBC and supporting a larger foster care system that achieves placement stability and permanency for all children and youth served.

Conclusion

Thank you for the opportunity to provide data-based information on Community-Based Care and the Foster Care Rate Methodology Rider to the House Committee on Human Services. MMHPI stands ready to serve as a resource as you gather information and consider actionable solutions for your interim charges.

If you have questions regarding this submission, please contact:

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